

City of Detroit

CITY COUNCIL

FISCAL ANALYSIS DIVISION
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TO: Shawny DeBerry, Director
Municipal Parking Department

FROM: Irvin Corley, Jr., Fiscal Analysis Director *ly.*

DATE: April 25, 2011

RE: 2011-2012 Budget Analysis

Attached is our budget analysis regarding your department's budget for the upcoming 2011-2012 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Thursday, April 28, 2011 at 3:00 p.m.** We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

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Attachment

cc: Council Members
Council Divisions
Auditor General's Office
Thomas Lijana, Chief Financial Officer
Floyd Stanley, Budget Deputy Director
Ron Chenault, Budget Department Team Leader
Denise Gardner, Mayor's Office

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Municipal Parking (34)

FY 2011-2012 Budget Analysis by the Fiscal Division

Summary

The Municipal Parking Department (MPD) is comprised of two divisions: The Automobile Parking Division (APD) and the Parking Violations Bureau (PVB). The APD is an enterprise fund division and is responsible for planning, supervising, operating and maintaining the City's Auto Parking and Arena Systems. The PVB is a general fund division and is accountable for enforcement of on street parking ordinances within the City of Detroit and the processing and collection of parking violation notices.

The Mayor's 2011-2012 Proposed Budget includes appropriations of \$21,333,531 for the MPD, which is a decrease of \$2,627,120 (or 11.0%) from fiscal year 2010-2011 budget of \$23,960,651. The proposed budget also includes revenue of \$34,372,770, which is an increase of \$6,509,739 (or 23.4%) from fiscal year 2010-2011 budget of \$27,863,031.

2010-2011 Surplus/(Deficit)

The estimated deficit in the MPD for FY 2010-2011 is \$319,216, which is composed of an appropriation surplus of \$2,115,124 and a revenue deficit of \$2,434,340.

Employee Turnover Savings

The Mayor's 2011-2012 Proposed Budget does not include any employee turnover savings for the MPD.

Overtime

The 2010-2011 budget includes \$52,000 in overtime for the MPD. As of March 31, 2011, the MPD has expended \$14,594 or 28.1% of the fiscal year 2010-2011 overtime budget.

<u>Appropriation/Program</u>	<u>Redbook Positions FY 2010-11</u>	<u>Filled Positions 3/31/2011</u>	<u>Mayor's Budget Positions FY 2011- 12</u>	<u>Over/(Under) Actual to 10/11 Budget</u>	<u>Mayor's Recommended Turnover</u>
Municipal Parking (34):					
340080 Violation Bureau Gen. Ofc. & Audits	56	48	58	(8)	\$ -
340090 Enforcement Unit				0	\$ -
00102 Parking Violations Bureau	56	48	58	(8)	\$ -
340010 Administration	18	16	16	(2)	\$ -
340020 Maintenance	12	11	11	(1)	\$ -
340040 Meter Maintenance	6	5	6	(1)	\$ -
340050 Meter Collection	11	11	11	0	\$ -
04108 Operation & Maintenance	47	43	44	(4)	\$ -
34XXXX Leave of Absence		(2)			\$ -
34XXXX Worker's Compensation		(3)		(3)	\$ -

Municipal Parking (34)

FY 2011-2012 Budget Analysis by the Fiscal Division

34XXXX Unmatched		<u>4</u>		<u>4</u>	\$ _____ -
TOTAL		<u>103</u>	<u>92</u>	<u>102</u>	<u>(11)</u> <u>\$ _____</u>

Proposed Change in Positions and Layoffs

The Mayor's Proposed Budget for 2011-2012 does not include any layoffs for the MPD. The Mayor is proposing a reduction of three positions in the Auto Parking Division and an increase of two positions in the Parking Violation Bureau.

Municipal Parking (34)

Budgeted Professional and Contractual Services by Activity	FY 2010-11 <u>Budget</u>	FY 2011-12 <u>Recommended</u>	Increase (Decrease)
Automobile Parking Division	\$ 2,030,280	\$ 1,603,000	\$ (427,280)
Parking Violations Bureau	<u>3,657,000</u>	<u>2,606,310</u>	<u>(1,050,690)</u>
Total	\$ 5,687,280	\$ 4,209,310	\$ (1,477,970)

Significant Changes in Funding by Appropriation

<u>Appro</u>	<u>Program</u>	
04108	Operation and Maintenance	The appropriation for Operation and Maintenance decreased \$1,462,789, which is the result of a reduction in contract services of \$455,000, electrical costs of \$197,085, transfers to the operating fund of \$639,472 and a net reduction in other expenditures of \$171,232.
00102	Parking Violations Bureau	The appropriation for Parking Violations Bureau decreased \$1,280,648, which is due to a reduction in equipment costs of \$735,956 and a \$935,000 reduction in contract services. The reduction in costs is partially offset by a net increase in other expenditures of \$390,308.

Significant Revenue Changes by Appropriation

<u>Appro</u>	<u>Program</u>	
04108	Operation and Maintenance	Operation and Maintenance revenue decreased \$707,000, which is due to a net decline in parking facilities revenue of \$2,457,000, a \$1,500,000 increase in other concessions, and a net increase in other revenues of \$250,000.

Municipal Parking (34)

FY 2011-2012 Budget Analysis by the Fiscal Division

00102	Parking Violations Bureau	Parking Violations \$7,856,211 in parking fines.	Bureau revenue increased
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Issues and Questions

1. Revenues from parking facilities are expected to decline in fiscal year 2011-2012. Why?
2. Other concessions revenue is expected to increase \$1,500,000? What is driving this increase?
3. Why is revenue from parking fines expected to increase \$7,856,211?
4. One of the MPD's goals (from page 1 of the department's budget) is to increase parking facility revenue through strategic marketing efforts? Why is this goal in contrast to the department's expectation of a decline in parking facility revenue of \$2,457,000 in 2011-2012?
5. What are some of the MPD's strategies to increase revenue and to decrease costs for fiscal 2011-2012?